

Message Text

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ACTION OES-09

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SUBJECT: SWEDISH REACTOR MANUFACTURER TO TRANSFER NUCLEAR TECHNOL-
OGY TO GENERAL ELECTRIC COMPANY AND JAPANESE-ITALIAN FIRMS

1. ON JULY 26 THE STOCKHOLM PRESS REPORTED THAT AB
ASEA-ATOM, SWEDEN'S LEADING NUCLEAR REACTOR
MANUFACTURER, IS WELL ON THE WAY TOWARD COMPLETING
NEGOTIATIONS WITH ONE AMERICAN, ONE ITALIAN AND TWO
JAPANESE COMPANIES FOR A COLLABORATION AGREEMENT IN THE
FIELD OF NUCLEAR POWER TECHNOLOGY. ASEA-ATOM, OWNERSHIP
OF WHICH IS SHARED EQUALLY BETWEEN THE SWEDISH
GOVERNMENT AND ASEA, THE LEADING ELECTRICAL INDUSTRY IN
SCANDINAVIA, DID NOT WISH AT THIS STAGE TO COMMENT ON
THE AGREEMENT, BUT A COMPANY OFFICIAL CONFIRMED TO THE
PRESS THAT NEGOTIATIONS ARE UNDER WAY.

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2. THE FOUR COMPANIES WITH WHICH ASEA-ATOM IS
NEGOTIATING ARE REPORTED TO BE GENERAL ELECTRIC COMPANY,
JAPAN'S HITACHI AND TISHIBA AND ITALY'S ANSALDO MECANICA
NUCLEARE (AMN). THE AGREEMENT IS EXPECTED TO BE READY
FOR SIGNING "WITHIN A FEW WEEKS" AND THE COMPANIES ARE
SAID TO BE PREPARING A JOINT COMMUNIQUE.

3. ACCORDING TO THE SWEDISH PRESS, GENERAL ELECTRIC HAS TO DATE SUPPLIED JAPAN WITH THE TECHNOLOGY FOR ELEVEN NUCLEAR POWER PLANTS BUT THEIR REACTORS HAVE NOT FUNCTIONED WELL. FAILURES HAVE REPORTEDLY BEEN COMMON, RESULTING IN FREQUENT STANDSTILLS. IT IS FELT THAT THE AMERICAN-JAPANESE-ITALIAN-SWEDISH POOL IN THE NUCLEAR POWER FIELD COULD BENEFIT FROM ASEA-ATOM'S NUCLEAR POWER TECHNOLOGY, WHICH IS CLAIMED TO BE VERY ADVANCED AND MORE RELIABLE AND SAFER THAN THE UNITS MANUFACTURED BY MOST OTHER SUPPLIERS.

4. IN THE VIEW OF SWEDISH NUCLEAR POWER OFFICIALS, A COLLABORATION AGREEMENT WITH GENERAL ELECTRIC COMPANY WOULD SERVE TO STRENGTHEN ASEA-ATOM'S POSITION VIS-A-VIS THE FRENCH NUCLEAR POWER INDUSTRY (REPRESENTED MAINLY BY FRAN-ATOM) AND THE WEST GERMAN INDUSTRY (REPRESENTED CHIEFLY BY SIEMENS-AEG). BOTH THESE COMPANIES ARE GENERALLY REGARDED AS ASEA-ATOM'S MOST SERIOUS COMPETITORS. BOTH GENERAL ELECTRIC COMPANY AND ASEA-ATOM BUILD BOILING-WATER REACTORS, SO AN EXCHANGE OF KNOW-HOW WOULD BE MUTALLY ADVANTAGEOUS. THUS FAR ASEA-ATOM HAS SOLD NINE REACTORS TO SWEDISH POWER COMPANIES, AND TWO TO FINLAND. WESTINGHOUSE HAS SOLD THREE TO SWEDEN SO FAR.

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5. THE DECISION OF ASEA-ATOM TO COLLABORATE WITH GENERAL ELECTRIC AND OTHER FOREIGN NUCLEAR REACTOR BUILDERS IS SAID TO HAVE BEEN PROMPTED BY THE SWEDISH COMPANY'S GROWING REALIZATION THAT SALES PROSPECTS IN THE SWEDISH HOME MARKET ARE DISCOURAGING. ITS EFFORTS, THEREFORE, WILL HENCEFORTH BE DIRECTED TOWARD MARKETING ITS PRODUCTION OUTSIDE OF SWEDEN. TO THAT END. COOPERATION WITH GENERAL ELECTRIC WOULD BE MUTUALLY BENEFICIAL. DISAGREEMENT CONTINUES TO PREVAIL WITHIN THE SWEDISH GOVERNMENT ON THE NATION'S NUCLEAR POWER POLICY. ONLY RECENTLY SWEDEN'S DEPUTY PRIME MINISTER EMPHASIZED THE URGENT NEED OF THE PRESENT COALITION GOVERNMENT TO REACH A DECISION ON ENERGY POLICY DURING THE COMING AUTUMN. APPREHENSION IS GROWING IN SWEDEN THAT FAILURE TO REACH SUCH A DECISION COULD RESULT IN A GOVERNMENT CRISIS-A DEVELOPMENT WHICH ALL CABINET MINISTERS ARE BENT ON AVOIDING DESPITE THEIR PRESENT DIVERGENT VIEWS ON THE NUCLEAR POWER ISSUE.
KENNEDY-MINOTT

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